

BC Transit

Annual
Report



1988-1989

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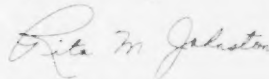
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Lieutenant-Governor in
Council

Sir:

It is my privilege to forward to
you the 1988/89 financial
statements and annual report
of BC Transit.

Yours sincerely,



Rita M. Johnston
Minister Responsible

The Honorable
Rita M. Johnston
Minister of Municipal Affairs,
Recreation and Culture,
Province of British Columbia,
Victoria, B.C.

Madam:

I have the honor to transmit
the 1988/89 annual report of
BC Transit.

Yours sincerely,



Stuart M. Hodgson
Chairman



A Message From the Minister



British Columbia is a province of opportunity. From the days of the fur traders to the age of computers and high technology, British Columbia has relied on transportation systems in order to develop and prosper.

British Columbia is a province on the move. The demand is growing in all aspects of transportation — highways, ferries, harbors and ports, railways, and public transit.

BC Transit provides transit in 37 regions and communities and carries over 120 million passengers a year. As communities and regions grow, the demand for maintaining first class transit services becomes increasingly apparent.

Efficient transit systems are playing vital roles in the economic and social development of our communities. But our responsibility does not end there. I believe it is critical that economic development go hand in hand with measures to protect the environment.

To this end, BC Transit is marketing its system and urging the people, wherever possible, to use transit as a preferred means of transportation. More than half of all transit riders to downtown Vancouver travel by clean electrical power aboard SkyTrain and trolley buses. This percentage will increase when SkyTrain begins to serve

Surrey in the spring of 1990.

Transit helps many people in many communities. The year under review demonstrated that transit continues to play a key role in moving people throughout our province.

The years following the 1988/89 fiscal year will see the ongoing development of many valuable transit programs, both current and planned.

The extension of SkyTrain to Whalley remains a priority, as the government is committed to achieving the secondary and long-term benefits that will be realized by the extension beyond Scott Road. The ability of rapid transit to influence land use and development is illustrated by the current transformation that is taking place in New Westminster and Metrotown. These secondary benefits, in turn, lead to long-term transit benefits, as high-density residential development within walking distance of a station will result in considerable ridership growth and encourage greater use of transit from Surrey and Delta. Because of these factors, and the economies that could be achieved by retaining the existing project expertise and continuing the present construction schedule, a start should be made on this extension in 1989, with revenue service to begin in 1993.

The coming fiscal year will also see the first of many new radios installed on BC Transit buses. Within two years, the entire diesel and trolley bus fleet in the Vancouver region will be equipped with a sophisticated radio system that will improve safety conditions, increase security for passengers and bus operators, act as a deterrent for vandals and allow operators to summon medical assistance in the event of an accident or on-board emergency — all invaluable assets to our system's operations.

Another key program approved during the year under review will mean renewal of our aging bus fleet. At present, 50 new diesel buses are on order for Vancouver and 18 for Victoria and various smaller B.C. communities, with delivery planned for 1989. In addition, a tender call has been issued for 35 to 85 diesel buses to be delivered in 1990.

This report provides a glimpse into the important and far-reaching role BC Transit is playing in British Columbia.

Rita M. Johnston
Minister Responsible



The Honorable Rita M. Johnston, minister responsible for transit, and BC Transit chairman and chief executive officer, Stuart M. Hodgson,

head up a group of several hundred people on SkyBridge to see the final deck section lifted into place.

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**Stuart M. Hodgson
and the Honorable
Rita M. Johnston at
the SkyBridge
Bridging the Gap
ceremony, Septem-
ber 7, 1988.**

BOARD & EXECUTIVE STAFF

The Board of Directors



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Chairman, BC Transit



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Vancouver, B.C.



Alderman Frank Carson
Victoria, B.C.



Eric Clarke
Victoria, B.C.



Jackie Drysdale
Rossland, B.C.



Mayor Don Lanskill
West Vancouver, B.C.



Don Ross
Surrey, B.C.



Mayor Jim Stuart
Kelowna, B.C.



William Vogel
White Rock, B.C.

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Executive Officer*

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Corporate Secretary

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*Executive
Vice-President,
Corporate Services*

Rick Krowchuk
*Executive
Vice-President,
Finance*

Robert Lingwood
*Regional Vice-President
and General Manager,
Victoria and the
Small Community
Systems*

Brian Beattie
*Vice-President,
Operations and
Maintenance*

John Mills
*Vice-President,
Planning and
Scheduling*

Transit Serving People

BC Transit is a Crown corporation that serves 2.3 million people throughout British Columbia. The corporation's transit systems in Greater Vancouver, Greater Victoria and in 37 communities across the province, carry more than 120 million people a year.

The provincial fleet in 1988 consisted of 1,099 diesel and trolley buses, 158 handyDART vehicles, 13 paratransit vehicles, two SeaBus catamaran ferries and 114 rapid transit rail cars.

BC Transit expenditures in 1988/89 totalled \$371.4 million. Costs are shared by the province, local government and transit passengers.

The essence of BC Transit's success is that it is part of a co-operative partnership, that combines centralized planning, marketing, corporate services and financial services, with accent on local decision-making.

In Greater Vancouver and Greater Victoria, for example, transit commissions comprising elected representatives from member municipalities decide on local matters including: setting fares, determining

new routes and levels of service, and raising the local share of transit costs through taxation.

In smaller communities, local councils or regional district boards make similar decisions. Opportunities for private sector participation are extensive as most transit services are provided by local contractors.

The following pages provide highlights, information and comments on the 1988/89 year.



Welcome
aboard!
SkyTrain
attendant,
Kerry
Mulhall.



Boarding the
145 Lougheed
Mall — en route
to Simon Fraser
University.

The Chairman's Report



Transit is working in many communities across British Columbia, helping regular commuters, non-drivers, shoppers, students, senior citizens and visitors. Transit increases a community's mobility and therefore has a direct impact on its economic and social values.

And in British Columbia, we take pride in operating one of the world's finest transit systems — a unique bus, SeaBus, SkyTrain network operated by a single authority that allows passengers to travel up to 100 kilometres in one general direction on a single fare.

During the past year, the pressures on BC Transit to provide more service have been growing steadily. Our task has been to get the best value possible for the funds available and the corporation is achieving that.

BC Transit is offering its users more transit services than ever before, both in conventional and custom transit. The annual report for 1988/89 reflects that, but it also points to the strong demand for more transit services in most places,

a demand that has arisen out of the strong commitment of British Columbians to support and use public transit. An estimated 72 per cent of British Columbians are now served by BC Transit in 39 communities across the province.

Similarly, BC Transit is dedicated to providing the best for the people of B.C. The employees of BC Transit share a commitment that is reflected in the corporation's recently-adopted mission statement, a common goal adopted after consultation with BC Transit management company wide: "The mission of BC Transit is to enhance the social and economic life of the communities it serves by providing safe, reliable, effective public transit."

The statement outlines the fundamental purpose and values of the corporation and also reflects the diverse and changing demands on transit throughout B.C.

The province is on the move, both economically and socially. Expansion and development, however, bring fresh challenges to keep transit ser-

vice at peak performance. With adequate funding, we are confident we shall meet those challenges and ensure the transit mobility of many British Columbians.


Stuart M. Hodgson
Chairman

Enhancing Transit Across the Province

A \$34 million program to enhance transit services and upgrade capital equipment and facilities in Greater Vancouver, Greater Victoria and various B.C. communities was announced in January, 1989.

The program will increase transit service, reliability and comfort through the purchase of 68 new diesel buses. Fifty are earmarked for the rapidly growing Vancouver Regional Transit System, and will be in addition to the 35 ordered earlier in the year. The remaining 18 will be assigned to the Victoria Regional Transit System, and various B.C. communities.

The program also provides for the purchase of 31 handyDART vans for the disabled, and provides funds for the expansion of handyDART service hours in Vancouver,



Victoria and various small communities.

The program will result in an expansion of conventional transit service in Chilliwack, Kamloops, Penticton and Abbotsford-Matsqui, new handyDART services in Nanaimo and Chilliwack, expanded handyDART services in Kelowna, Vernon, Alberni-Clayoquot, and expanded paratransit services on the Sunshine Coast and Williams Lake. New paratransit systems were announced for parts of the Central Kootenay region, including the Creston Valley and Nakusp areas.

In addition, it was announced that handyDART services in the Vancouver Regional Transit System were being expanded to provide regular transport for children, aged three to six years, who have special needs.

In 1988, the provincial government approved a \$1.2 million program to provide the initial basic structure for a radio communications system on Greater Vancouver buses. The January, 1989, announcement provides funds to enable

BC Transit to start the communications with radios on 445 buses — just over half of the Lower Mainland fleet. It was also announced that all new buses will be equipped with radios. Radios on board buses increase security for both passengers and bus operators, serve to deter vandals, and give staff immediate access to medical assistance when needed.

The almost 2,000 BC Transit operators in Greater Vancouver and Greater Victoria set a new traffic safety record in 1988 with the lowest traffic incident rate in the history of Victoria and Vancouver transit. Since 1977, transit in Greater Vancouver and Greater Victoria has won 16 national and international safety awards in passenger, traffic and employee categories.

On March 12, 1989, the SeaBus operating group achieved 1,000,000 hours worked without a disabling injury, a record that represented more than 11 years — since January 3, 1978 — of safe work.

Plans to expand handyDART services were announced in January, 1989.

VANCOUVER

Vancouver Regional Transit System

A rapidly expanding economy, a growing population and increased traffic flows, all placed pressures on the Vancouver Regional Transit System in the year ending March 31, 1989.

The System covers about 1,500 square kilometres, and is the largest transit service area in Canada. The transit fleet comprises 613 diesel buses, 244 trolley buses, 114 SkyTrain rapid transit cars and two SeaBus catamaran high-speed passenger ferries.

In addition, 111 special vehicles provide custom transit service, called handyDART, for disabled people.

The region's 1.4-million people are served by a tri-modal transit system which, during 1988/89, recorded 179-million boardings. Compared to other North American cities of similar size, this is extremely high, and says much for the Vancouver Regional Transit System and its staff of 3,100, about half of whom work directly with the public — bus operators, SkyTrain attendants or SeaBus staff.

During the 1988/89 year, the transit system carried more than 105 million revenue passengers, up from 101 million carried in the previous year.

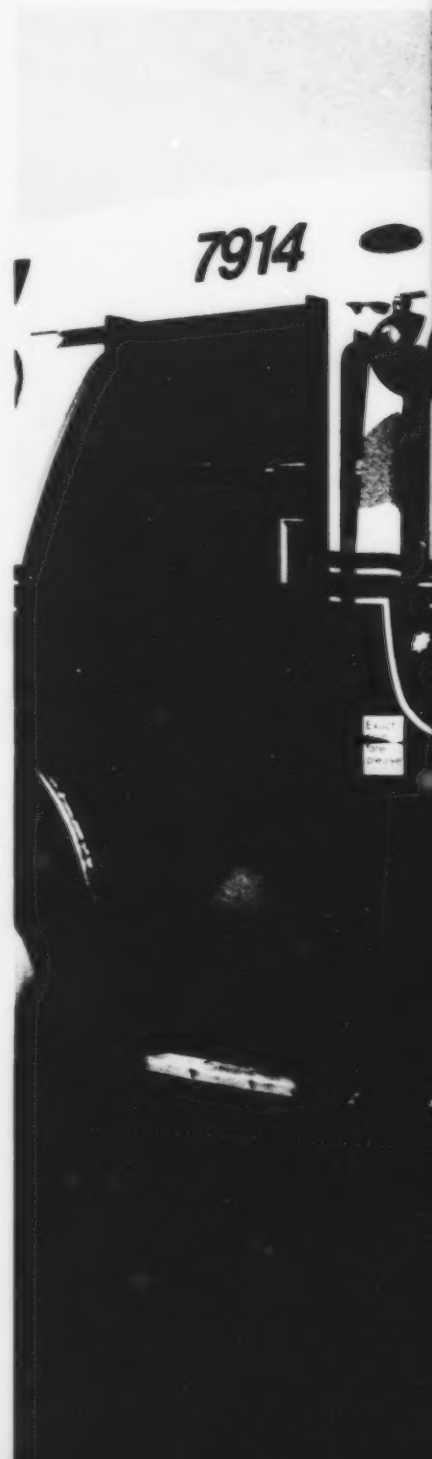
A transit fare increase went into effect on June 1, 1988. In March, 1989, the Vancouver Regional Transit Commission voted unanimously not to increase fares within the System. Transit Commission chairman, Mayor Don Lanska, said the decision followed a public meeting on fares and taxes for the 1989/90 transit budget.

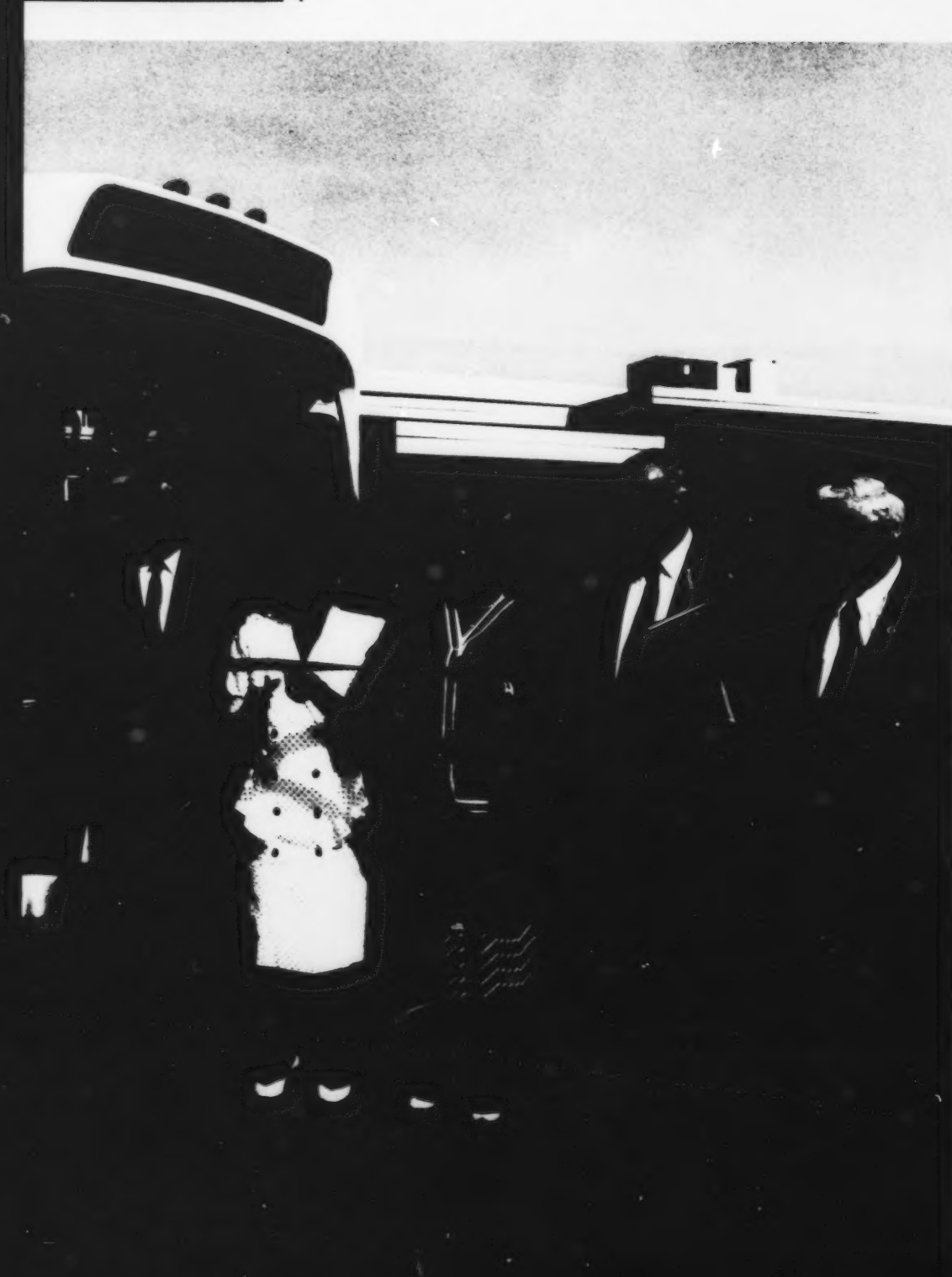
The three-year program to create a fully integrated transit system in the Lower Mainland was completed in September, 1988, with buses servicing the Northeast Sector being integrated with SkyTrain. Since January, 1986, when SkyTrain went into revenue service, more than 70 bus routes have been re-aligned or designed to provide service to and from rapid transit stations.

The regional service area underwent a major expansion in the summer of 1988 to include the rapidly growing Fraser Valley communities of Langley City and Township with an area population of 80,000. The expansion provided five new local and express routes. A new handyDART service was initiated as well.

**Declaring the
new Langley ser-
vice officially
open are, left to
right: Mayor John
Beales; Langley
MLA, Carol Gran;
the Honorable**

**Rita M. Johnston;
Mayor Don
Lanska; and
former Langley
mayor, D.W.
Poppy.**





Above, left:
About half of
the Vancouver
Regional Transit
System's 3,100
employees work
directly with the
public.

VANCOUVER

Impact on Downtown Vancouver

The integrated transit system, along with other economic and population growth factors, had a marked effect on downtown Vancouver. On an average weekday morning, about 50,000 people use transit to get to jobs and businesses in downtown Vancouver. About 40 per cent of all a.m. peak travel to the central business district is by transit.

Public transit is also helping the downtown environment. Under the integrated system, buses formerly tied up making long distance runs to downtown Vancouver are now used to make shorter, more frequent runs in suburban areas to SkyTrain stations. For instance, over a 24-hour period, between 550 and 600 fewer diesel buses now enter

the downtown area from the suburbs. This means less congestion in the downtown area, but more important, is helping to keep Vancouver green.



An electrically-powered trolley bus leaves downtown Vancouver.

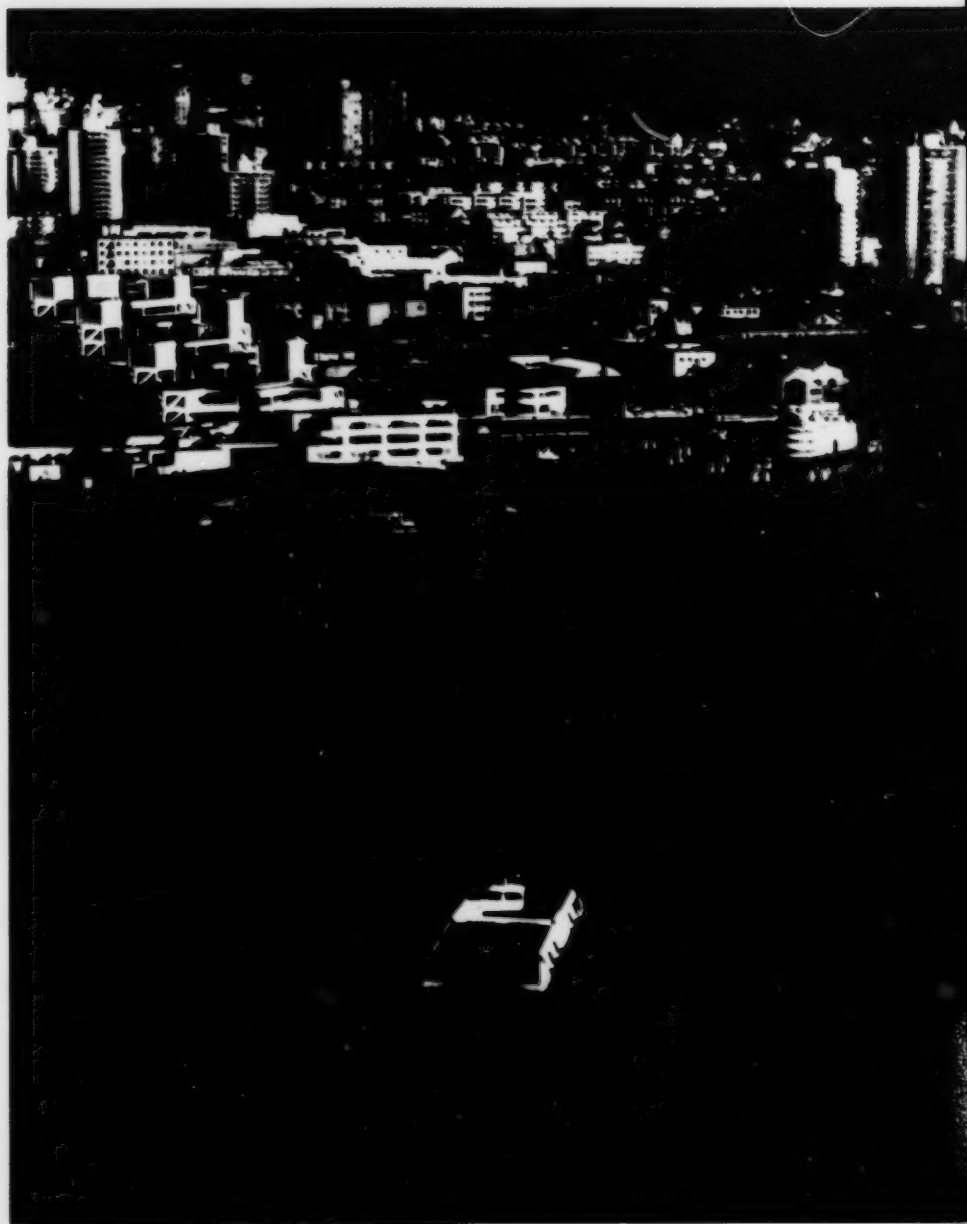
Transit and Economic Growth

Good public transit encourages economic growth, stimulates life and movement, and has a marked impact on social and cultural development.

The SkyTrain corridor, as part of the integrated transit system, provides an excellent example of how transit is acting as a significant catalyst for regional development. It is one of the catalysts that is encouraging developers, business people and others to invest more than five billion dollars along a 23-kilometre corridor stretching from North Vancouver's SeaBus terminal, through downtown Vancouver, across Burnaby and into New Westminster.

International transit analysts say it is among the fastest growing transit corridors in the world. While SkyTrain has acted as a major catalyst in development, the rapid transit service is growing because of it. During the year 1988/89, SkyTrain ridership was up more than nine per cent over the previous year.

SkyTrain completed three years of successful automated service in January, 1989. Weekday ridership stood at



**SeaBus
approaches its
north terminal
and the
Lonsdale Quay
development
site.**

EMERGENCY

EM



75,000 and growing. One major operating problem experienced in early years was noise in excess of the manufacturer's specified 74 decibels at 15 metres. Through dedicated research and various trials, BC Transit, working in co-operation with the manufacturers, has reduced noise levels substantially, and the current objective is to maintain that standard on an economic basis.

During 1988/89, SkyTrain ridership totalled 23.3 million, a 9.3 per cent increase over the previous year. Rapid transit trains covered 13.9 million kilometres, an increase of 8.7 per cent. On-time performance increased from 96.4 per cent in 1987/88 to 98.0 per cent in 1988/89.

A multifaceted program aimed at making SkyTrain travellers more aware of the system's safety and emergency features was introduced in February, 1989. The program resulted in more pronounced emergency signs, a comprehensive safety brochure, and specially designed panels on board the trains and at strategic locations in stations.

Construction of the \$179 million SkyTrain extension from downtown New Westminster, across the Fraser River to Scott Road in Surrey continued in 1988/89. Civil work on the 616-metre-long cable-stayed bridge was completed and installation of the technical systems began. The extension provides for two new SkyTrain stations: Columbia in New Westminster, which opened in February, 1989, and Scott Road, scheduled to open in February, 1990.

SkyTrain, as part of the integrated transit system in the Lower Mainland, attracted a considerable number of visitors during the year. They included the prime minister of Thailand, the vice premier of China, and various political and professional transit delegations from Stuttgart, Barcelona, Phoenix, Melbourne, Tokyo, Honolulu, Los Angeles and San Francisco.

SkyTrain attendant, Carolyn St. Louis, pushes SkyTrain's emergency stop button during a ceremony to announce system safety enhancements.

VANCOUVER

Special Events in Transit

Trolleys rolled into the University of British Columbia campus in September, 1988. This was the result of a conversion of the #10 route, on which only diesel buses had operated for 20 years. The trolley extension allows for higher service levels to UBC. The result: ridership soared 15 per cent in one year.

A new summer route linking the Lonsdale Quay SeaBus terminal and Grouse Mountain proved a big attraction. Designed to connect SeaBus with major North Shore visitor attractions, the summer service carried 50,000 passengers.

St. Valentine's Day, 1989, marked the opening of the 16th SkyTrain Station. Columbia Station in New Westminster was officially opened by Premier Bill Vander Zalm.

Surrounded by more than half a billion dollars in developments, the Metrotown bus loop opened in August, 1988. Situated in the new Eaton Centre, the loop services the adjoining Eaton Centre and Metrotown shopping malls and SkyTrain. On March 15,

1989, an above-street passerelle for SkyTrain and bus passengers was opened.

Victor Sharman, whose 40-year transit career in Vancouver started with the old interurbans and finished with SkyTrain, was elected to the American Public Transit Association's Hall of Fame in September, 1988. APTA has more than 900 members representing bus and rapid transit systems throughout the

United States.

Don't Take the Keys, a special program aimed at encouraging corporations and businesses to make employees and customers aware of drinking and driving, went into its second year in December, 1988. Organized by BC Transit and CounterAttack, the program encourages people celebrating the festive season to use the transit system in order to get home.



**Bianca Loop,
September 9 —
celebrating the
extension of
trolley service
to UBC.**

Mobility for the Disabled

A high level of ridership was maintained in the Vancouver region with handyDART providing over 490,000 trips. In order to keep pace with the demand, service hours were increased by six per cent, and totalled 209,672 hours for the year.

When the Vancouver Regional Transit System was extended to include both the City and Township of Langley, handyDART service was included. It started June 6, 1988; by March 31, 1989, more than 600 people had registered for its services.

Productivity was down marginally: 2.3 passenger trips per hour compared to 2.5 in the previous year. This slight decline was attributed to the challenge of providing door-to-door service in Langley, where the population is spread over a large area.

The handyDART fleet of special vehicles was expanded by nine in 1988/89, bringing the total to 111. Among the newcomers was a Ford Champion designed to carry up to 16 passengers. Four of the new vehicles were assigned to Langley operations.

Early in 1988, BC Transit's Board of Directors set up a Custom Transit Task Force to look at systems across the province. Three directors were appointed to the Custom Transit Task Force: Mayor Gordon Campbell of Vancouver, Jackie Drysdale of

Rossland and Eric Clarke of Victoria.

Among its activities, the Task Force carried out a service review of handyDART users in the Vancouver Region. Survey participants reported that, generally, users were very satisfied with the quality of handyDART service. Thirty per cent use wheelchairs, and many are elderly: 58 per cent are over 64 years of age; 33 per cent are over 74.

The Task Force prepared two reports — Proposed Implementation Strategy for Lift-Equipped Buses in the

Vancouver Region and Interim Improvement Options, and Custom Transit Policy Review. Copies were distributed in February, 1989, to 200 individuals and organizations of — and for — disabled people.

On March 16 and 20, 1989, public meetings were held by the Task Force in Vancouver, giving interested parties an opportunity to comment on the concept of lift-equipped buses. The response was very positive, and the Task Force subsequently recommended a lift-equipped bus policy to the BC Transit Board of Directors.

**During the
1988/89 fiscal
year, handyDART
in the Vancouver
region provided
more than
490,000 trips.**



VICTORIA

Victoria Regional Transit System

Transit ridership in Greater Victoria increased by 4.5 per cent during 1988/89, bringing the total number of passengers carried to 13.7 million. This was the first sign of ridership growth after a five-year period in which numbers remained relatively stable.

The increase in transit ridership accompanies a number of major developments in the downtown core, including the new conference centre, the Victoria Eaton Centre, Songhees, and a number of new hotels.

These changes will be accompanied by pressure on parking spaces and more travel focused on the downtown will result in heavier traffic congestion. This is leading toward increased peak-hour demand for transit.

The Victoria Regional Transit Commission which sets routes, fares, service levels and schedules for the System, adopted a far-reaching five-year plan for the System. The plan recognizes transit's key role in helping Greater Victoria grow economically and socially.

The Victoria Regional Transit System operates 108 buses on 30 routes and serves more than a quarter of a million residents throughout the capital region. The System operated in 1988/89 at a total cost of \$19.7 million, with fare-box and other revenues covering 44 per cent of total costs.

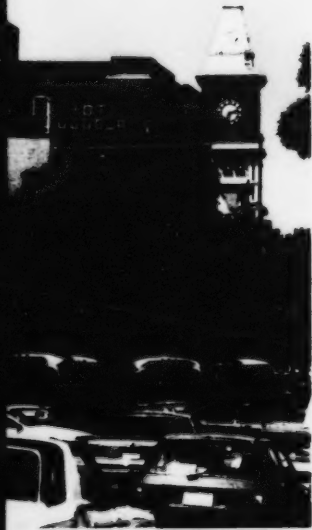
Two demographic groups — senior citizens and students — are proportionally higher users of transit totalling 38 per cent of transit riders. While only 17 per cent of the transit service area population is 65 years or older, 22 per cent of transit riders fall into this age category. Children and students also use the System extensively and make up 16 per cent of the the System's ridership.

During the year, construction continued on the new Victoria Transit Centre on the site of the old Gorge Road operations facilities. In April, 1988, the Operations Department moved to temporary headquarters at Garbally Road to allow for construction of the new facilities. The new complex, housing headquar-

ters staff, along with Operations and Maintenance employees was opened on schedule late in March, 1989.

Victoria resident, Ken Mawdsley, who retired in April, 1988, as vice-president of BC Transit and general manager for the Victoria Region and the Smaller Communities, was elected president of the Canadian Urban Transit Association (CUTA).

Rush hour . .
Douglas Street,
Victoria.



handyDART Service in the Victoria Region

In addition to the conventional system, the Victoria region is also served by a 15-van custom transit service for the disabled.

This system is operated under contract by Accessible Transportation Alternatives Ltd., and provided more than 32,300 hours of service during the year. With total ridership reaching 89,400, the resulting service productivity of 2.8 rides per hour is among the

highest in Canada for a service of the kind operating in a metropolitan centre. Total operating expenditures were \$935,005 for the year, with farebox revenues of \$122,778 covering 13.1 per cent of costs.

Late in the year, a number of improvements were implemented, including more off-peak and weekend services and increased dispatching resources. These services were the first of a series of

improvements included as part of the announced expansion funding for the system.



The 1988/89 fiscal year saw 32,300 hours of handyDART service.

An MCI Classic passes the new Victoria Conference Centre



SMALL COMMUNITIES

Small Communities Transit Systems

In the late 1970s and early '80s, the Small Community Conventional Transit System Program expanded, as urban areas throughout the province matured to the level at which public transit became a desired and viable service.

By March 31, 1989, 104 buses were in peak-hour service in 25 communities ranging from Langley, Chilliwack and Trail in the south to Kitimat, Fort St. John and Dawson Creek in the north. All but three of the small systems are operated by private firms. Nelson, Nanaimo and Powell River services are run by their respective municipalities.

In total, 301,000 hours of service were provided to the 531,000 residents of these transit service areas. Total ridership was approximately 6.5 million. Total program expenditures were \$14.6 million, with revenues of \$3.9 million resulting in a cost recovery of nearly 27 per cent.

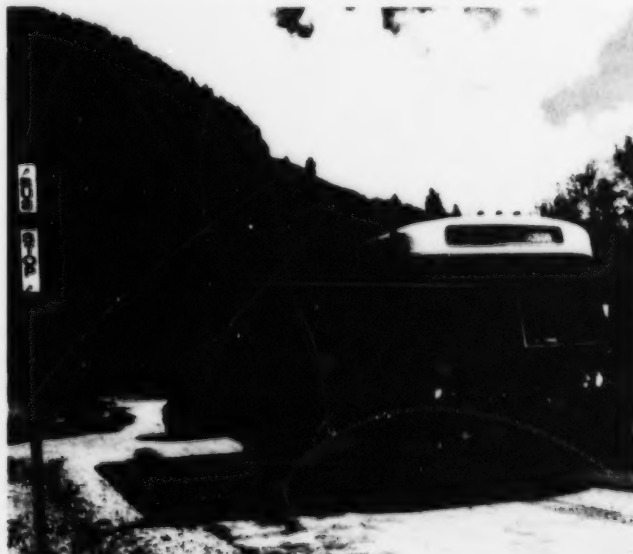
Passengers rely heavily on transit for a basic level of mobility in the Small Communities. More than 70

per cent of all rides are made by people who don't have alternate transportation — senior citizens, students, shoppers from one-car families, job hunters, and shift workers, for example. "Shopping" and "going to school," rank close to "going to work" as the major purpose of trips.

The development of the Custom Transit Program was co-ordinated with the phasing out of the Ministry of Human Resources' special projects transportation funding for almost 20 societies. Custom Transit began with four municipalities in 1980. Ridership then was 21,500 a year. Today, custom- and para-transit systems provide door-

to-door service for the disabled in 22 municipalities outside Victoria and the Lower Mainland, and ridership is 285,000 a year. Total program expenditures were \$1.9 million, with farebox revenues of \$324,000 or 16.9 per cent.

More than three-quarters of the 6,800 registered users are over 65 years of age, with more than one quarter of all trips made by wheelchair passengers. Custom Transit passengers — particularly wheelchair users — often have no alternative means of transportation. One-half of all trips are made for medical purposes, with work and education accounting for a third of all trips.



**Castlegar, B.C. —
one of 37 small
communities
served by BC
Transit.**

1988/89 Events Around the Province

Funding for a 30 per cent increase in the Alberni-Clayoquot handyDART service for disabled residents in the Port Alberni area was announced in January, 1989. Service hours were increased and a third vehicle added to the service.

The new Weco Intercontinental Arrow bus, specially designed and manufactured for use by elderly and disabled people, went into service in the Central Kootenay Paratransit System in May, 1988. Built by Intercontinental Truck Body of Surrey and customized by Weco Manufacturing of Kamloops, the vehicle has a flexible seating arrangement that can accommodate up to 16 passengers seated or 12 seated and three wheelchairs.

A new off-street transit exchange was opened on June 18, 1988, at the Powell River Plaza. It provides a safer, convenient and more comfortable transfer point for bus riders.

Major service changes were introduced in Kamloops in September. The most significant was the introduction of a new route, the Three Crosstown. The route pro-

vides direct transit service between Westsyde, North Shore, Downtown, Cariboo College, Sahali Centre, Aberdeen Mall and Aberdeen Hills.

The Prince George transit system celebrated 10 years of comprehensive transit service, and upgraded the existing system with extensions to the BCR industrial park south of the city.

Major revisions were made to the Campbell River transit system in August, 1988, with the introduction of the Five Town Shuttle and various route extensions. The changes were expected to generate more riders for the system which carries in excess of 213,000 passengers a year. For the first time, monthly passes were made available for elementary and secondary school students.

Service in Kelowna was improved, with the introduction of the new Crosstown route that links the Okanagan College directly with major regional malls and several residential areas.

The system in Nelson experienced a dramatic improvement in performance, with the opening of the new Canadian

International College. All students at the College are issued a bus pass. The resulting ridership and revenue has had a major impact.

CounterAttack working in close co-operation with local transit contractors, introduced a "leave the keys at home" program in a number of B.C. communities, including Port Alberni, Powell River, Nelson, Kelowna, Kitimat, Maple Ridge, Nanaimo, Penticton, Chilliwack, Dawson Creek, Fort St. John, Kamloops, Campbell River, Castlegar, Prince George, Prince Rupert, Terrace, Trail, Vernon, and Abbotsford-Matsqui. The program, aimed at getting people to use transit to get home from festive-season celebrations, is growing in popularity, and was complemented by most communities providing free rides on New Year's Eve.



**The Prince
George transit
system cele-
brated 10 years
of service in
1988.**

PROGRAMS

BC Transit Programs

Conventional Bus Services

Vancouver Region
Victoria Region
Abbotsford-Matsqui
Campbell River
Central Kootenay (*Castlegar region*)
Chilliwack
Dawson Creek
Fort St. John
Kamloops
Kelowna-Central Okanagan
Kitimat
Kootenay-Boundary (*Trail region*)
Langley
Maple Ridge
Mission
Nanaimo
Nelson
Penticton
Port Alberni
Powell River
Prince George
Prince Rupert
Terrace (*and Thornhill*)
Vernon-Coldstream

Paratransit

(rural areas and smaller communities)

Comox
Cranbrook
Central Kootenay (*Nelson and area*)
Cowichan Valley (*Duncan and North Cowichan*)
Kimberley
Okanagan-Similkameen (*Penticton to Naramata*)
Princeton
Quesnel
Summerland
Sunshine Coast
Williams Lake

handyDART

(door to door transportation for disabled people)

Vancouver Region
Victoria Region
Abbotsford-Matsqui
Alberni-Clayoquot (*Port Alberni and area*)
Kelowna
Kamloops
Maple Ridge
Penticton
Prince George
Prince Rupert
Vernon and area

**SeaBus
approaches
the south
terminal.**



BC Transit Fleet

Vancouver

Diesel buses
(including West
Vancouver buses) 613
Electric trolleys 244
Rapid transit cars 114
SeaBus ferries 2

Victoria

Diesel buses 108

Small Communities

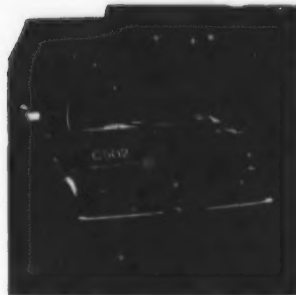
Diesel buses 134

handyDART

Vancouver 111 vehicles
Victoria 15 vans
Small Communities . 32 vans

Paratransit

Small Communities . 13 vans



Top to bottom:
a new Ford
Champion
handyDART
van, designed
to carry up to
16 passengers;
SkyTrain and
the Parkway,
near Patterson
Station;
Government
Street,
Victoria.



FINANCE

Financial Summary

Fare revenues for the year were \$115.3 million compared to \$105.6 million in the previous year, an increase of \$9.7 million (9.2 per cent). The increase is due to the combined effects of a fare increase for the Vancouver region on June 1, 1988, and a four per cent increase in total provincial ridership.

Total expenditures for the fiscal year ended March 31, 1989, were \$371.4 million, compared to \$352.7 million last year. The Vancouver Regional Transit System accounted for \$334.2 million and Victoria and Small Communities incurred expenditures of \$20.7 million and \$16.5 million, respectively. Increased operating costs arose largely from labor and material price increases. Total interest costs increased by \$2.2 million in 1988/89 as a result of rate increases.

The provincial government funding contribution increased from \$117.5 million to \$132.0 million in 1988/89 as a consequence of increased operating costs and a new funding agreement between

the Province and the Vancouver Regional Transit Commission.

The provincial government also provided \$38.9 million in debt-servicing assistance comprised of principal and interest payments on the Province's 50 per cent share of the SkyTrain guideway capital costs of \$275 million.

Required contributions from the municipalities decreased by \$4.6 million as a result of the increase in fare revenues.

FINANCIAL STATEMENTS

British Columbia Transit Audited Financial Statements March 31, 1989

Report of Management

The management and Board of Directors of BC Transit is responsible for the financial statements appearing in this annual report. The statements were prepared in accordance with accounting principles appropriate for BC Transit and fairly represent the transactions and financial position of the corporation.

BC Transit's system of internal accounting controls is designed to provide reasonable assurance that assets are safeguarded, transactions are properly recorded and executed in accordance with management's authorization, and the books and records accurately reflect the disposition of assets. Inherent to the concept of reasonable assurance is the recognition that there are

limits in all internal control systems and that system costs should not exceed the expected benefits. The system includes the selection, training and development of qualified personnel, organizational division of responsibilities and communications of company policies and procedures. The system is reviewed and evaluated by a program of internal audits.

The Audit Committee of the Board of Directors meets regularly with the internal auditors and the independent auditors to discuss their audit work, accounting policy views, adequacy of internal accounting controls and the quality of financial reporting.

Auditors' Report

To the Members
of the Board of Directors
of British Columbia Transit

We have examined the balance sheet of British Columbia Transit as at March 31, 1989 and the statements of revenue and expenditures and accumulated net revenue, contributed surplus, changes in financial position and changes in regional transit funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in

the circumstances.

In our opinion, these financial statements present fairly the financial position of British Columbia Transit as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

THORNE ERNST &
WHINNEY
Chartered Accountants
May 29, 1989

FINANCIAL STATEMENTS

Balance Sheet

	March 31	
	1989	1988
	(\$000)	(\$000)
Assets		
CURRENT ASSETS		
Accounts receivable		
Province of British Columbia	\$ 13,226	\$ 9,650
Municipalities	21,865	22,336
Sundry	3,090	4,428
Mortgage receivable	-	700
Parts inventory	9,149	9,494
Prepaid expenditures	3,711	3,938
	<u>51,041</u>	<u>50,546</u>
MORTGAGE RECEIVABLE	<u>557</u>	<u>-</u>
LONG-TERM DEBT SINKING FUND	<u>52,889</u>	<u>32,189</u>
FIXED ASSETS		
Land, buildings and equipment (note 3)	236,159	239,762
SkyTrain (notes 4 and 9)	958,820	981,488
Capital projects in progress (note 5)	175,660	123,262
	<u>1,370,639</u>	<u>1,344,512</u>
	<u>\$ 1,475,126</u>	<u>\$ 1,427,247</u>
	<u><u> </u></u>	<u><u> </u></u>
 <i>Regional Transit Funds</i>		
Cash and term deposits	\$ 30,348	\$ 19,156
Accounts receivable and accrued interest	5,717	4,720
	<u>\$ 36,065</u>	<u>\$ 23,876</u>
	<u><u> </u></u>	<u><u> </u></u>

Approved by the board:

Director Don A. Ross

Director James H. Stuart

	March 31	
	1989	1988
	(\$000)	(\$000)
<i>Liabilities, Equity and Fund Balances</i>		
CURRENT LIABILITIES		
Cheques issued in excess of funds on deposit	\$ 1,324	\$ 359
Accounts payable and accrued liabilities	71,158	69,347
Payable to contractors	4,177	2,823
Notes payable (note 6)	167,445	114,925
Current portion of long-term debt	16,419	16,419
Current obligations under capital leases	5,753	5,651
	<u>266,276</u>	<u>209,524</u>
LONG-TERM DEBT (note 7)	<u>785,473</u>	<u>784,679</u>
OBLIGATIONS UNDER CAPITAL LEASES (note 8)	<u>215,838</u>	<u>221,105</u>
EQUITY		
Contributed Surplus	204,935	209,387
Accumulated net revenue	2,604	2,552
	<u>207,539</u>	<u>211,939</u>
	<u>\$ 1,475,126</u>	<u>\$ 1,427,247</u>
CONTINGENT LIABILITIES (note 9)		
Payable to British Columbia Transit	\$ 19,900	\$ 20,312
Fund Balances	16,165	3,564
	<u>\$ 36,065</u>	<u>\$ 23,876</u>

FINANCIAL STATEMENTS

Statement of Revenue and Expenditures and Accumulated Net Revenue

	Year ended March 31	
	1989	1988
	(\$000)	(\$000)
Revenue		
Operations	\$ 115,340	\$ 105,596
Interest	4,281	2,284
	<u>119,621</u>	<u>107,880</u>
Expenditures		
Operations and maintenance	191,636	185,687
Administration	31,068	25,292
Interest on long-term debt	90,084	80,615
Interest on obligations under capital leases	22,372	20,929
Other interest	1,096	9,822
Depreciation and amortization	29,548	24,829
Property leases and taxes	5,588	5,553
	<u>371,392</u>	<u>352,727</u>
	<u>(251,771)</u>	<u>(244,847)</u>
Recoveries		
Contributions from the Province of British Columbia	131,968	117,531
Contributions from municipalities	77,976	82,578
Provincial grant - debt servicing assistance	38,927	41,690
Amortization of contributed surplus to offset depreciation charged on contributed assets	2,900	3,048
	<u>251,771</u>	<u>244,847</u>
NET REVENUE FROM TRANSIT OPERATIONS	<u>.</u>	<u>.</u>
Other		
Realization of contributed surplus on disposal of contributed assets	1,552	1,955
Loss on disposal of fixed assets	(579)	(1,513)
Loss on disposal of inventory	(921)	(150)
	<u>52</u>	<u>292</u>
NET REVENUE	<u>52</u>	<u>292</u>
Accumulated net revenue at beginning of year	2,552	2,260
ACCUMULATED NET REVENUE AT END OF YEAR	<u>\$ 2,604</u>	<u>\$ 2,552</u>

Statement of Contributed Surplus

	Year ended March 31	
	1989	1988
	(\$000)	(\$000)
APPRAISAL INCREASE CREDITS		
Balance at beginning of year	\$ 190,327	\$ 196,724
Amount transferred to statement of revenue and expenditures and accumulated net revenue to offset depreciation charged on contributed assets	(2,900)	(3,048)
Reduction on disposition of contributed assets	(1,557)	(5,299)
Reappraisal of revenue vehicles	-	1,950
	<u>185,870</u>	<u>190,327</u>
OTHER CONTRIBUTED SURPLUS		
Balance at beginning of year	19,060	15,720
Increase on disposition of contributed assets	5	3,340
	<u>19,065</u>	<u>19,060</u>
BALANCE AT END OF YEAR	<u>\$ 204,935</u>	<u>\$ 209,387</u>

FINANCIAL STATEMENTS

Statement of Changes in Financial Position

	Year ended March 31	
	1989	1988
	(\$000)	(\$000)
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net revenue	\$ 52	\$ 292
Items not involving cash		
Depreciation and amortization	29,548	24,829
Amortization of bond discount	794	686
Amortization of contributed surplus to offset depreciation charged on contributed assets	(2,900)	(3,048)
Realization of contributed surplus on disposal of contributed assets	(1,552)	(1,955)
Loss on disposal of assets	1,500	1,513
	<u>27,442</u>	<u>22,317</u>
Changes in non-cash operating working capital		
Accounts receivable	(1,767)	757
Parts inventory	(576)	1,055
Prepaid expenditures	227	(789)
Accounts payable and accrued liabilities	3,165	11,214
	<u>28,491</u>	<u>34,554</u>
FINANCING		
Proceeds on capital leases of vehicles and equipment	-	48,916
Principal repayments on obligations under capital leases	(5165)	(4,921)
Increase (decrease) in		
Notes payable	52,520	(263,103)
Long-term debt	-	277,058
Long-term debt sinking fund	(20,700)	(11,544)
Decrease in mortgage receivable	143	2,381
	<u>26,798</u>	<u>48,787</u>
INVESTMENTS		
Proceeds from sale of fixed assets	66	3,648
Additions to		
Land, buildings and equipment	(3,922)	(13,546)
Capital projects in progress	(52,398)	(69,122)
	<u>(56,254)</u>	<u>(79,020)</u>
INCREASE (DECREASE) IN CASH DEFICIENCY	965	(4,321)
Cash deficiency at beginning of year	359	4,680
CASH DEFICIENCY AT END OF YEAR	<u>\$ 1,324</u>	<u>\$ 359</u>

Statement of Changes in Regional Transit Funds

	Vancouver (\$000)	Victoria (\$000)	Total Year ended March 31	
			1989 (\$000)	1988 (\$000)
FUND BALANCE AT BEGINNING OF YEAR	\$ 404	\$ 3,160	\$ 3,564	\$ 10,136
Revenue				
Gas tax	48,624	-	48,624	36,386
Non-residential property tax	21,269	-	21,269	19,994
Power levy	9,894	3,991	13,885	13,074
Interest earned	2,178	385	2,563	2,238
	<u>81,965</u>	<u>4,376</u>	<u>86,341</u>	<u>71,692</u>
	82,369	7,536	89,905	81,828
Contribution to shareable deficit	(69,689)	(4,051)	(73,740)	(78,264)
FUND BALANCE AT END OF YEAR	<u>\$ 12,680</u>	<u>\$ 3,485</u>	<u>\$ 16,165</u>	<u>\$ 3,564</u>

FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 1989

1 Authority

British Columbia Transit ("BC Transit") is established under the British Columbia Transit Act, as amended, to operate the urban transit systems in the Province of British Columbia.

In accordance with the Vancouver and Victoria regional transit commission regulations, BC Transit is responsible for the administration of all funds raised by certain tax levies. The financial position and changes during the year in these funds are set out in the Balance Sheet and in the Statement of Changes in Regional Transit Funds.

2 Summary of Significant Accounting Policies

The accompanying financial statements are prepared in accordance with accounting principles appropriate for BC Transit. These principles are in conformity with generally accepted accounting principles appropriate for commercial enterprises, with the exceptions identified in notes 2(b) and (e).

(a) Parts inventory

Parts inventory is valued at the lower of cost and replacement value. Cost is determined using the average cost method. Certain parts inventory was acquired from B.C. Hydro in 1980 at a nominal cost. At the time of its acquisition, this inventory was valued at its average cost to B.C. Hydro with the difference being credited to contributed surplus.

(b) Fixed assets

Fixed assets have been recorded as follows:

- (i) Fixed assets transferred from the Province of British Columbia in fiscal year 1980, at their appraised value at June 30, 1979.
- (ii) Revenue vehicles acquired from B.C. Hydro, at their appraised value at March 1, 1980.
- (iii) SeaBuses, the South Shore and North Shore SeaBus Terminals, acquired from the province of British Columbia, at appraised values. The SeaBuses were originally appraised at July 15, 1980. At August 18, 1987 they were reappraised by Robert Allan Ltd., as a result of which, fixed assets and contributed surplus were both increased by \$1,950,000. The other appraisals were carried out at various dates between July 15, 1980 and June 30, 1981.
- (iv) The trolley overhead system acquired from B.C. Hydro on January 1, 1984 at its nominal value of \$1.

2 *Summary of Significant
Accounting Policies
(Continued)*

(b) Fixed assets (continued)

- (v) Land, land improvements, buildings and equipment acquired from B.C. Hydro, at appraised value. These appraisals were carried out at various dates between April 1, 1980 and April 1, 1982.

All appraisals are fair market value appraisals with the exception of the appraisal of buildings and land improvements, which are appraised at depreciated replacement cost.

- (vi) All construction and testing costs related to the SkyTrain have been capitalized. These costs include net interest expenditures as indicated in note 2(c), the costs incurred in testing the service reliability of the Vancouver/New Westminster phase of the SkyTrain system to March 31, 1986 and the remaining estimated net costs relating to this phase of the system.

- (vii) All other fixed assets, at cost, including capitalized interest as indicated in note 2(c).

- (viii) Depreciation and amortization are provided on the basis which results in a matching of these charges with BC Transit's statutory power to recover the costs of the related assets. Contributed assets are not subject to recovery and are depreciated over their estimated useful lives by the sinking fund method. All assets are depreciated over a period not exceeding their estimated remaining useful lives.

(c) Capitalization of interest

Interest, incurred in connection with capital acquisitions from the date of advance of funds until the assets are placed in service for transit purposes, is capitalized. Interest of \$14,313,000 (1988, \$6,467,000) was capitalized during the year ended March 31, 1989.

(d) Amortization of bond discounts

Bond discounts are amortized on a straight-line basis over the term of the debt.

(e) Amortization of contributed surplus

Contributed surplus (appraisal increase credits) is being amortized and reflected in net revenue at an amount equal to the depreciation charged on those assets for which BC Transit does not have statutory power to obtain full recovery from operations.

FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 1989

3 Land, Buildings and Equipment

	1989			1988
	Carrying value	Accumulated depreciation and amortization	Net	Net
	(\$000)	(\$000)	(\$000)	(\$000)
Land	\$ 48,851	\$ -	\$ 48,851	\$ 48,851
Land improvements	15,536	1,249	14,287	14,373
Buildings	59,938	4,082	55,856	56,335
Revenue vehicles	45,934	20,024	25,910	28,159
Revenue vehicles under capital leases	91,652	14,205	77,447	80,466
Equipment	15,352	1,544	13,808	11,578
	<u>\$ 277,263</u>	<u>\$ 41,104</u>	<u>\$ 236,159</u>	<u>\$ 239,762</u>

4 SkyTrain

	1989	1988
	(\$000)	(\$000)
Construction, engineering and administration	\$ 656,907	\$ 656,907
Vehicles and equipment under capital lease	159,502	159,502
Property and rights-of-way	37,976	37,976
	<u>854,385</u>	<u>854,385</u>
Net interest capitalized	161,575	161,575
	<u>1,015,960</u>	<u>1,015,960</u>
Less accumulated depreciation and amortization	57,140	34,472
	<u>\$ 958,820</u>	<u>\$ 981,488</u>

5 Capital Projects in Progress

	1989	1988
	(\$000)	(\$000)
Surrey extension	\$ 142,755	\$ 111,720
Surrey extension (capitalized interest)	24,529	10,373
	<u>167,284</u>	<u>122,093</u>
Other	8,376	1,169
	<u>\$ 175,660</u>	<u>\$ 123,262</u>

At March 31, 1989 BC Transit has unutilized approved funding for the Surrey extension of \$36,245,000 (excluding interest), of which \$5,062,000 has been committed.

6 Notes Payable

	1989	1988
	(\$000)	(\$000)
Commercial paper with the province of British Columbia, 11.3% weighted average interest rate	\$ 167,445	\$ 114,925

FINANCIAL STATEMENTS

Notes to Financial Statements Year Ended March 31, 1989

7 Long-term Debt

	1989 (\$000)	1988 (\$000)
Debentures, 11.03% weighted-average interest rate, due November 25, 1997 to August 10, 2007	\$ 723,438	\$ 723,438
11.125% Bond payable, due December 1, 1998	50,000	50,000
8.75% Bond payable, due January 15, 2009	25,000	25,000
	798,438	798,438
Less unamortized bond discount	10,546	11,340
	787,892	787,098
12.25% Serial debenture, interest payable annually, principal repayments of \$1,400,000 payable annually commencing January 31, 1991, with a final payment of \$7,000,000 due January 31, 1996	14,000	14,000
	801,892	801,098
Less current portion	16,419	16,419
	\$ 785,473	\$ 784,679

Long-term debt totalling \$812,438,000 is guaranteed by the Province of British Columbia.

Effective April 1, 1986 BC Transit entered into an agreement whereby the Province of British Columbia makes grants of principal and interest payments on \$275,000,000 of the long-term debt, representing approximately 50% of the SkyTrain guideway and station construction cost. These payments aggregated \$38,927,000 during each of 1989 and 1988.

Sinking fund and serial debenture payments due in each of the next five years are approximately as follows (\$000):

1990	\$ 16,419
1991	17,819
1992	17,819
1993	17,819
1994	17,819

8 Obligations under Capital Leases

The obligations under capital leases, which mature at various dates from 1994 to 2007, represent the total present value of future minimum lease payments discounted at the interest rates implicit in the leases at the commencement of the lease term. These rates vary with prime and during the year ranged from 8.3% to 12.2%.

Obligations under capital leases totalling approximately \$215,450,000 are guaranteed by the Province of British Columbia.

The following is a schedule by year of approximate future minimum lease payments together with the balance of the obligations under capital leases as of March 31, 1989 (\$000):

	1990	\$	27,982
	1991		27,932
	1992		27,639
	1993		28,188
	1994		29,173
	1995-2007		320,504
			461,418
Less amounts representing interest			239,827
		\$	221,591
Less current portion			5,753
		\$	215,838

9 Contingent Liabilities

BC Transit is disagreeing with the supplier of the SkyTrain system on the interpretation of certain clauses of the purchase agreement. There are also a number of sub-contractor claims which have not yet been settled. In addition, a claim has been made by the City of Vancouver for damages due to the noise of the SkyTrain system. The outcome of the negotiations relating to these matters cannot presently be determined. They will be reflected in the accounts in the period of settlement.

10 Comparative Figures

Certain figures for the prior year have been reclassified to conform with the presentation adopted in the current year.

Addresses & Telephone Numbers

BC Transit
Head Office
Airport Square
1200 West 73rd Avenue
Vancouver
British Columbia
V6P 6M2
Telephone: (604) 264-5000

BC Transit
Surrey SkyTrain Project
307 Columbia Street
New Westminster
British Columbia
V3L 1A7
Telephone: (604) 522-0611

BC Transit
Victoria Office
520 Gorge Road East
P.O. Box 610
Victoria
British Columbia
V8W 2P3
Telephone: (604) 385-2551

B.C. Rapid Transit Company
6800 14th Avenue
Burnaby
British Columbia
V3N 4S7
Telephone: (604) 520-3641